

Message Text

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ACTION ARA-14

INFO OCT-01 EB-08 ISO-00 SP-02 USIA-06 AID-05 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
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R 121720Z AUG 77
FM AMEMBASSY PORT OF SPAIN
TO SECSTATE WASHDC 1097
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY GEORGETOWN
AMEMBASSY KINGSTON

C O N F I D E N T I A L PORT OF SPAIN 2337

E.O. 11652: GDS
TAGS: EGEN, ETRD, TD
SUBJECT: BILATERAL ECONOMIC DISCUSSIONS

1. BILATERAL DISCUSSIONS OF A NUMBER OF ECONOMIC ISSUES BETWEEN THE GOVERNMENT OF TRINIDAD AND TOBAGO TOOK PLACE IN PORT OF SPAIN AUGUST 3-5. GOTT DELEGATION INCLUDED KEY CABINET MINISTERS AND OTHER SENIOR OFFICIALS INVOLVED IN ECONOMIC DEVELOPMENT PROGRAM, AND WAS CHAIRED BY MINISTER OF INDUSTRY AND COMMERCE. US DELEGATION, WHILE NOT OF EQUAL RANK, WE WELL RECEIVED BY GOTT BECAUSE OF OBVIOUS FAMILIARITY WITH ISSUES UNDER DISCUSSION AND BECAUSE OF INCLUSION OF REPRESENTATIVES OF RELEVANT USG AGENCIES IN A POSITION TO RESPOND DIRECTLY TO QUESTIONS RAISED WITH REGARD TO THE GOTT'S DEVELOPMENT PROGRAM. I BELIEVE CHAIRMAN ARELLANO IN PARTICULAR ESTABLISHED GOOD RAPPORT WITH GOTT REPRESENTATIVES.

2. SUBSTANCE OF WIDE RANGING DISCUSSIONS WILL BE COVERED BY US DEL REPORT AND IN AGREED MINUTES SIGNED BY BOTH DELEGATIONS. ONLY ISSUES TO WHICH WE WERE NOT ABLE TO
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FULLY RESPOND WERE IN THE FIELD OF TRANSPORTATION. BWIA'S CHIEF EXECUTIVE OFFICER MADE PRESENTATION ON BEHALF OF ROUTE CHANGES DESIRED BY THE AIRLINE. ALSO, MINISTER OF PETROLEUM AND MINES RAISED QUESTION OF NEW US LEGISLATION GRANTING PREFERENCE FOR US CARRIERS OF CRUDE PETROLEUM, BECAUSE OF RECENT ESTABLISHMENT OF JOINT VENTURE (GOTT AND SEATRAN) TO OPERATE TANKER FLEET.

3. MOST SERIOUS NEGATIVE NOTE WAS GOTT'S DISAPPOINTMENT AT FAILURE OF EX-IM BANK TO BE FORTHCOMING ON GOTT REQUEST TO FINANCE NEW IRON AND STEEL MILL. WHILE GOTT UNDERSTANDS BANK'S POSITION ON THE MATTER, AND OTHER SOURCES OF FINANCING ARE AVAILABLE, IT WOULD CLEARLY PREFER TO USE EXPORT CREDIT FINANCING ON THIS PROJECT. BY COINCIDENCE, EMBASSY'S ECONOFF RECEIVED VISIT ON MORNING OF AUGUST 8 FROM REPRESENTATIVE OF US FIRM (RICHARD BARNES OF MORGAN CONSTRUCTION CO.) BIDDING ON ENGINEERING ON THE MILL. HE SAID HE BELIEVES EX-IM BANK'S RELUCTANCE TO FINANCE THIS KIND OF PROJECT IS SHORT-SIGHTED, AS MILL WOULD BE BUILT IN ANY CASE, AND THE END RESULT WOULD BE THAT US SUPPLIERS OF THE PLANT AND TECHNOLOGY WOULD SIMPLY BE REPLACED BY BRITISH AND EUROPEANS WHO WOULD NOT HESITATE TO FILL THE BREACH. HE ALSO POINTED OUT THAT TRINIDAD AND TOBAGO IS A HEAVY IMPORTER OF STEEL PIPE AND OTHER PRODUCTS FROM THE UNITED STATES FOR THE OIL INDUSTRY AT THE PRESENT TIME. BARNES SAID HE WAS TOLD BY OFFICIAL OF MINISTRY OF FINANCE THAT GOTT HAS NOT GIVEN UP ON ITS APPLICATION, AND THAT WILLIAMS WILL RAISE THE MATTER WITH ANDREW YOUNG WHILE HE IS HERE.

4. OVER-ALL REACTION OF GOTT TO TALKS HAS BEEN VERY FAVORABLE, EVEN THOUGH IT DID NOT RECEIVE SATISFACTION
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ON ALL OF THEIR DISIDERATA. USG'S AFFIRMATIVE RESPONSE IN MEETING GOTT'S REQUEST FOR TALKS ON SHORT NOTICE; THE FRANK AND CORDIAL ATMOSPHERE IN WHICH THEY TOOK PLACE; AND THE "CLEARING OF THE AIR" ON SOME SENSITIVE QUESTIONS, ENABLING GOTT TO GET A BETTER READING OF WHAT IT CAN AND CANNOT COUNT ON, WERE ALL POSITIVE FACTORS.

5. PRESS COVERAGE OF BILATERALS, WHILE ADEQUATE TO THE OCCASION, WAS OVERSHADOWED BY PRESENCE IN TRINIDAD AND TOBAGO OF ITS OWN MISS UNIVERSE, AND TO LESSER EXTENT BY SIMULTANEOUS VISIT TO COUNTRY OF A GROUP OF GARMENT BUYERS FROM THE US INVITED BY THE MINISTRY OF INDUSTRY AND COMMERCE. IN VIEW OF ABSENCE OF SIGNIFICANT SUBSTANCE TO REPORT OUT OF BILATERALS TO THE PUBLIC, THIS WAS NOT WHOLLY UNDESIRABLE.

6. WHILE A MAJOR IMPETUS BEHIND THE GOTT'S REQUEST FOR CONSULTATIONS WAS UNDOUBTEDLY THE FACT THAT ITS INDUSTRIAL DEVELOPMENT PROGRAM HAS REACHED A CRITICAL STAGE, I SUSPECT ANOTHER FACTOR MAY HAVE BEEN A DESIRE BY PM WILLIAMS TO TEST QUICKLY OUR STATED INTENTION TO GIVE THE CARIBBEAN SUB-REGION A HIGHER PLACE IN OUR OVER-ALL

SCALE OF PRIORITIES, AND AT THE SAME TIME TO UNDERSCORE TRINIDAD'S POSITION AS THE ECONOMIC STALWART OF THE CARIBBEAN. IF THIS IS CORRECT, OUR FAST RESPONSE SHOULD HAVE BEEN REASSURING TO HIM, AND HOPEFULLY IT WILL SERVE TO FACILITATE POSSIBLE CLOSER COOPERATION FROM GOTT ON A NUMBER OF ISSUES OF INTEREST TO US. IN HTE LAST ANALYSIS, OF COURSE, MUCH WILL DEPEND ON OUR ABILITY TO DELIVER ON THE XPECTATIONS OUR NEW POSTURE HAS AROUSED HERE. IN THE MEANTIME, IT IS CLEAR THAT THE GOTT WILL WISH TO DISUCSS FURTHER A NUMBER OF THE ISSUES RAISED IN THE AUGUST 3-5 CONSULTATIONS AND WE SHOULD ANTICIPATE ITS SEEKING ADDITIONAL TECHNICAL MEETINGS IN THE NEAR FUTURE.

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